

INFORMATION PAPER

MCEU-JA (600-50d)

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SUBJECT: Conflicts of Interest

1. Purpose. To provide information concerning conflicts and appearances of conflicts of interest, and how to resolve them.

2. Facts.

a. Conflict of Interests. Under Federal criminal law, Army officers or employees (and enlisted soldiers by regulation) may not participate in official matters that affect their outside financial interests, such as:

(1) A company in which the employee or his or her spouse or minor children own stock;

(2) Spousal employment, if the spouse is employed in a position which may be affected by an official Federal acted upon by the Federal employee;

(3) An organization which the Army employee serves as officer, director or employee in an outside or personal capacity;

(4) A company or organization with which the employee is seeking employment;

(4) The financial interests of a partner.

b. Appearances of Conflicts. By punitive regulation, employees may not participate in official matters when someone with knowledge of the relevant facts would reasonably question their impartiality. An employee could have an appearance of a conflict of interest when:

(1) The official matter is likely to affect the financial interests of a member of the employee's household, *e.g.*, grandparent, parents-in-law, or "significant other".

(2) Someone with whom the employee has a "covered relationship" is a party to the official matter, or represents a party to that matter. Examples of "covered relationships" are:

(a) A person with whom the employee has some sort of business or financial relationship, *e.g.*, a supervisor should not participate in rating or other employment decisions affecting an employee who rents his condominium;

(b) A relative with whom the employee has a close personal relationship;

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(c) A prospective or current employer of the employee's spouse, parent or dependent child (the situation here with respect to the Army employee's spouse or dependent child must be carefully examined to ensure that there is not an actual conflict);

(d) Any organization in which the employee served as an officer, director, or employee within the last year;

(e) An organization in which the employee is an "active participant."

c. Resolutions of Actual Conflicts or Appearances. In either case, an actual or apparent conflict, the employee is **disqualified** and from acting on official matters. How is this resolved?

(1) With supervisor's concurrence, execute a disqualification statement and adjust duties as required.

(2) Divest the financial interest, *e.g.*, sell the stock, sever negotiations concerning future employment, quit the job or dissolve the partnership.

(3) Supervisory hiring authority may waive actual conflicts, but only in limited circumstances and in coordination with the Office of Government Ethics.

(4) Immediate supervisor may waive an appearance of conflict, after coordination with Ethics Counselor.

(5) If none of these options resolve the conflict, the employee's employment may be terminated.